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PORTUGAL

Prime Minister Azevedo and anti-Communist military officers are carrying out a full-scale purge of pro-Communists and other extreme leftists in the military and the government.

Admiral Rosa Coutinho and navy chief of staff Filgueiras Soares are the latest high-level officers to be forced out in the wake of last week's abortive paratrooper rebellion. Their departure leaves only two Communist sympathizers on the Revolutionary Council—both navy officers—and they also are likely to go as the purge of the military continues. Generals Carvalho and Fabiao, who were forced out last week, may have had some connection with the rebellion, but Rosa Coutinho and Filgueiras Soares, both leftists, have clearly been purged on ideological grounds, indicating that the anti-Communist faction is moving across the board to solidify its control of the military.

Azevedo reportedly found President Costa Gomes reluctant to sanction a purge of the navy, but the Prime Minister initiated the move by cleaning out his own personal staff, which contained many pro-Communist navy officers. President Costa Gomes himself has come in for some sharp criticism, [REDACTED]

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The government, which had earlier suspended its activities, is now back at work, but the purge of leftists seems unlikely to end partisan squabbling. The Socialist Party is insisting that the Communists publicly repudiate the paratrooper rebellion and swear allegiance to the Azevedo government if they are to continue to participate in the cabinet. [REDACTED]

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The Popular Democrats are also seeking to capitalize on the retreat of the left, and have called for immediate elections. In addition, they are calling for the removal of the Communist Party from its one cabinet post; workers in the northern city of Porto have signed a petition calling for the removal of Foreign Minister Antunes, who said last week that the Communists still had an essential role to play.

The Communists themselves have claimed that they had nothing to do with the rebellion; the party newspaper yesterday pointed to the need for a political, rather than military, solution to the country's problems. A recent party communique does not criticize the government's purge of the left, but confines itself to warning the Socialists and the Antunes military faction that the extreme right will seek to take advantage of the situation. [REDACTED]

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SPAIN

Prime Minister Arias' two-hour meeting with King Juan Carlos last Friday has given rise to widespread rumors that a government shake-up is imminent.

It had long been expected that when Juan Carlos took over he would attempt to put a new face on the government by naming a new prime minister and that the selection would be a good indication of whether the King could avoid total domination by the right. Arias still has three years remaining in his term of office, however, and the King is not required to replace him at present.

Some of the speculation on government changes centers on the King's retaining Arias for now but at the same time shuffling the cabinet to bring in politicians more acceptable to the opposition. Such a move could indicate that Juan Carlos believed that Franco's old rightist supporters could block the nomination of a new prime minister who favored significant political liberalization.

The King will not be able to avoid naming a new leader of parliament, however, as the term of the current president of the Cortes expired on November 26. The meeting between Arias and the King may have been to discuss this appointment, a post for which Arias himself is in the running. The president of the Cortes also doubles as president of the Council of the Realm and will have a major voice in the council's presentation to the King of the list of three candidates for prime minister, from which Juan Carlos must choose.

The government has promised, meanwhile, to clarify its recent pardon decree, which has been criticized as going no further than similar actions by Franco. To show good faith, the government has already released many prisoners, some of whom were jailed for political offenses. Marcelino Camacho, a top leader of the Communist-dominated workers' commissions, was among the first to be released.

Communist Party leader Santiago Carrillo may soon provide a test of the government's political tolerance. He announced on Sunday his intention to return to Spain soon from exile in Paris. His statements, published in the French magazine *L'Express*, will make it difficult for the Spanish government to permit his return, however. He criticized Juan Carlos as "Franco's king," and said that his party would have accepted the King's father, Don Juan. He also raised the possibility of calling for demonstrations against the limited nature of the pardon issued by the King.

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LEBANON

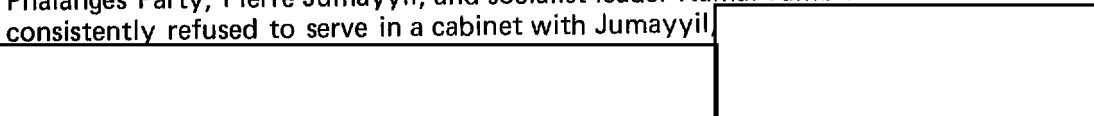
In separate speeches on Saturday night, Lebanese President Franjiyah and Prime Minister Karami both appealed for an end to factional fighting and announced the outlines of a government program to initiate political reform.

Although Karami avoided specifics, he announced that agreement had been reached to expand the cabinet and to start a dialogue aimed at making "necessary adaptations" in Lebanon's political balance. Declaring that the continued existence of Lebanon was at stake, Franjiyah endorsed the program in a speech preceding Karami's. Noting that all Lebanese factions are minorities, Karami said that the "triumph of one party over another" would not provide a lasting resolution of Lebanon's problems. The solution lies, he said, in providing the necessary guarantees for the continued existence of all "communities."

In marked contrast to previous speeches, which constituted a frank admission of the government's inability to resolve Lebanon's political problems, Karami's address on Saturday was more forceful and seemed to be backed by agreement within the cabinet, for the moment at least. Franjiyah's open endorsement of the government program, which he said reflects "our common will," gives it an element of support that has been missing from previous efforts to find a solution. Franjiyah, a Christian, had been working at cross purposes with the Muslim Karami throughout the fighting and, by a combination of inaction and behind-the-scenes encouragement to Christian factions, had thwarted earlier attempts at political reform.

The government's adoption of a reform program and the reconciliation, even if short-lived, between Franjiyah and Karami may have resulted from the efforts of Ghassan Tuwayni, a moderate Christian member of the cabinet, and of French mediator Couve de Murville, who has held extensive discussions with Lebanese leaders over the last week.

Tuwayni has been active in mediatory efforts between Muslim and Christian factions of the government and last week drew up a plan for a three-stage program for enforcing the cease-fire and beginning political reform. Both Tuwayni and Couve have urged that the cabinet be expanded to include the leader of the Christian Phalanges Party, Pierre Jumayyil, and socialist leader Kamal Jumblatt. The latter has consistently refused to serve in a cabinet with Jumayyil.



A concerted effort is reportedly under way, in the meantime, to split less radical Lebanese Muslims from extreme leftist and Communist groups supported by

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Libya and Iraq. Spearheaded by traditionally conservative Saudi Arabia, which is fearful of the rise of leftist influence in Lebanon, the effort reportedly involves establishing contacts between the Sunni Muslim leadership and the Phalangists.

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SYRIA

According to press reports, President Asad and other high-level Syrian officials observed a long-range surface-to-surface missile demonstration on November 27.

The Scud missile was first identified in Syria in late May. Damascus is believed to have received enough equipment from the USSR to equip one Scud brigade of nine transporter-erector-launchers. Syrian personnel have reportedly trained on the Scud missile system in both the USSR and Egypt and could have attained operational capability.

The launch of a surface-to-surface missile, and its public announcement just prior to the scheduled November 30 expiration of the UN mandate on the Golan Heights, was in keeping with President Asad's continuing efforts to focus worldwide attention on the area. A demonstrated long-range missile capability adds another dimension to existing tensions on the Golan Heights.

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BANGLADESH-INDIA

The Bangladesh government, already uneasy about possible Indian military intentions, also appears to be concerned that New Delhi may be giving covert support to Bangladesh dissidents.

A high Dacca official told a US embassy officer on Friday that he is more worried about what he sees as continuing Indian support for subversive elements in his country than he is about the possibility of Indian military intervention. The same official and at least one other had earlier charged that Indian support for dissidents was designed to keep the Bangladesh government in a state of tension that would ultimately lead to its overthrow.

India apparently has given aid and sanctuary to a group of guerrillas led by a supporter of former president Mujib. Bangladesh security forces reportedly clashed with the group near the Indian border recently.

In addition, the Indian press continues to give prominent coverage to pessimistic comments on the Bangladesh situation by Indian officials. New Delhi papers on Saturday carried Defense Minister Singh's expressions of "great concern" over events in Bangladesh.

The US embassy in Dacca sees the inability of the Indian media to let the situation cool as the most troubling element in the India-Bangladesh equation. The embassy points out that the wounding of the Indian high commissioner in Dacca last week forced the Bangladesh government to face up to its weak position and that since then it has generally tried to avoid antagonizing India. Dacca has, for example, kept the Bangladesh press generally free of stories that would aggravate relations with India. It also has attempted to ease the concern of the Hindu minority by increasing police protection for that community.

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NEW ZEALAND

The National Party's easy victory in Saturday's election will lead to a tightening of ties with the US, which came in for occasional strain under the ousted Labor government. Prime Minister-elect Muldoon will probably drop both Labor's ban on port calls by nuclear-powered warships and its proposal for a South Pacific zone to be closed to vessels carrying nuclear arms. Muldoon saw these moves as bars to full military cooperation with the US.

In domestic policies, the National Party, less permissive than Labor toward trade unions, may abolish compulsory union membership. It is unlikely, however, to dismantle New Zealand's extensive and popular social welfare programs. The 19-seat National majority in the 87-seat Parliament could increase still further, as several close contests are yet to be decided. The campaign focused on the economy, and the party apparently convinced New Zealand's voters that Labor was to blame for the country's economic problems.

The election result may increase concern in Australia's Labor Party over its chances in the election to be held there on December 13. Australian Labor, dismissed from office by the Governor General last month, is under charges of economic mismanagement similar to those that brought down its New Zealand counterpart.

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ITALY-FRANCE

The joint communique signed last month by Italian and French Communist leaders is another step toward achieving a coordinated West European Communist stance on basic political issues. This is a goal that the Italians, in particular, have long pursued through bilateral documents and by sponsoring international meetings.

The two parties strive to give the impression in the communique that, if in power, they would retain the various freedoms associated with democratic societies, permit multiparty systems, and tolerate opposition. They also reject "all foreign interference," express their preoccupation with Portugal's problems, and agree that public ownership of the principal means of production and trade is essential to the achievement of a socialist society.

Disagreements between the two parties on such questions have long been a major stumbling block to the Italians' efforts to push the West European Communist parties toward a coordinated policy line. The Italians think that such coordination would help downplay their relations with Moscow while retaining the international ties that remain important to them, and would also help their goal of closer cooperation between the Communist parties and the non-communist left. The Italian Communists think such cooperation would enhance the left's ability to influence the direction of the EC and of West European social and economic policy in general.

25X1 [redacted] party chief Berlinguer has also felt he had to win French Communist support to stand up to Soviet criticism of his political line. Berlinguer probably had some of the same objectives in mind when he signed a similar communique with Spanish Communist leader Carrillo last July. Parts of the recent French-Italian document appear to have been lifted nearly verbatim from the one signed by Carrillo and Berlinguer. On the whole, however, the French-Italian declaration is more doctrinaire in tone, a reflection of the compromises Berlinguer had to make to get an agreement with the French.

That compromise has probably left the Italians, who claim they would not carry out extensive further nationalization if in power, somewhat uneasy over the inclusion of a statement calling for public ownership of the principal means of production. Berlinguer will probably deflect criticism on this point by claiming that that goal is already accomplished in Italy, which has a larger public sector than any other EC country. Indeed, Italian Communist leaders have gone so far as to suggest that they would return some parts of the public sector to private hands in the interest of greater efficiency. Berlinguer probably would also have preferred to avoid direct mention of the US in a statement opposing "foreign interference." The Italian Communists continue to believe that US acquiescence is essential if they are ever to join the government on a workable basis.

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The motives of the French Communist leadership are not as clear. Recently the party has seemed to be reevaluating its tactics and veering back toward its former hard-line approach. It has, for example, so harshly criticized its allies, the French Socialists, that it appears to be trying to goad them into breaking the alliance; it has also spoken out strongly in favor of the Portuguese Communists. At the same time, however, the French Communists have consistently defended each party's right to chart its own route to power, specifically reiterating their own independence from Moscow.

Party chief Georges Marchais is closely identified with the alliance made with the Socialists in 1972 and with a flexible party line. He has come in for a lot of criticism from party members who believe he has not only compromised party ideology but has also been duped by the Socialists, who now seem on their way to consolidating a position as the left's premier party in France. Never very popular within the party, and weakened by a serious heart attack earlier this year, Marchais has seemed to be going along with the hard liners. The agreement with the Italians suggests, however, that he is putting up a strong fight for a flexible approach.

Marchais probably sees clear advantages in his party's associating more closely with the Italian Communists, who are viewed by many in France as more responsible and independent. He may, however, have difficulty defending the declaration to his own members, who are not as receptive as the Italians to less-than-revolutionary rhetoric. In his recent comments to party gatherings, Marchais has avoided mention of the communique's points on political pluralism and has emphasized its opposition to "American imperialism." The communique is flexible enough that Marchais can exploit it with the French electorate and his own rank and file. His success will be measured at the party congress in February.

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FOR THE RECORD

LAOS: A senior Lao government official told the US charge yesterday that Prime Minister Souvanna Phouma and the King had decided to step down, and that an announcement might be made today. The holding of a meeting at Souvanna Phouma's house in Vientiane yesterday added to speculation. To set the stage for Souvanna Phouma's removal, the Communists late last week began demonstrating against the coalition government. [REDACTED]

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FINLAND: A five-party coalition government that includes the Communists was announced yesterday. Marti Miettunen, of the Center Party, will be the prime minister. The "national emergency" coalition was put together only after President Kekkonen applied strong public pressure on the politicians to stop their haggling and get to work on the country's serious economic problems. Miettunen declared that his first priority will be to halt rising unemployment, which has already hit politically sensitive levels. The government will also have to deal with a large trade deficit and a 17-percent rate of inflation. Four of the five parties made up the previous coalition, which foundered last spring because of differences over economic policy. [REDACTED]

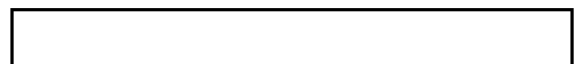
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